

For better or worse, rent in Aurora going up

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Steve Lord

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Aurora had one of the highest increases in rent last year in the Chicago area, according to a website that tracks the area's apartment market.

But whether the 7.6 percent increase in the average Aurora rent from 2015 to 2016 is a good thing or a bad thing is a matter of perspective.

According to RENTCafe, an apartment search website that tracks apartment prices, Aurora's average rent increased by 7.6 percent, from \$1,141 a month to \$1,228 a month – the fourth highest increase in the Chicago area in 2016. RENTCafe used numbers from its sister company, Yardi Matrix, an apartment market intelligence provider.

Aurora ranked behind three other cities in the area in average increase: Elmhurst, 14.2 percent; Oak Park, 9 percent; and McHenry, 8.6 percent.

It was ahead of Bensenville and Westmont, which both had increases of about 7 percent. Overall, the Chicago area held fairly steady, RENTCafe said, at about a 4 percent average rent increase.

Developer David Karademas believes that if rents go up some more they will be able to support construction of new rental properties in downtown Aurora. Karademas already has a few rental properties in the downtown. (Steve Lord / The Beacon-News)

RENTCafe, which caters to those looking for apartments, said the Aurora increase was not necessarily good news.

"Finding an affordable home is becoming tougher even in budget-friendly Aurora," the website said.

But for many in Aurora, the rental increase fits a pattern of success for Aurora, which has seen average rent increases since 2011, when they were under \$1,000 a month.

When David Karademas, owner of the Leland Towers, the Graham Building and The Mayan, all on Stolp Island in downtown Aurora, first purchased the Leland, he noted that when he raised rents, the demand for apartments actually went up.

Jake Mederas, who manages the Leland, Graham and The Mayan, said that is because the increases were accompanied by upgrades in all the apartments. As an apartment became available, Karademas would have it renovated with all new utilities, and then raise the rent.

"It went from old to new," Mederas said.

He said the rent increases are indicative of more people wanting to locate in Aurora because of "what the city has done to clean up its image."

He cited the activity at the Paramount Theatre and RiverEdge Park, as examples. And he said Aurora police have made sure downtown is safe.

The result is that despite the rent increases, demand is "very high," Mederas said. Out of 118 units in the Leland building, he said as of Monday there was one studio available. At the Graham Building on the other side of Millennium Park, there are no units available.

"I get an overwhelming response," Mederas said.

Nadia Balint, a real estate writer who wrote the apartment story for RENTCafe, said the increases in Aurora rents "is a supply and demand thing."

"Of course, demand is always going to drive prices up," she said. Balint added that overall, Aurora has about 95 percent occupancy of its rental units, which she called "on the high side."

And while Aurora has had redevelopments turning over units, there have been no new, big complexes coming in to flood the supply.

But that will change in 2017. Balint pointed out that at least 417 new units should come on line in Aurora this year at Station Boulevard, the transit-oriented development on the far East Side. Officials in both Lehigh Station and Metro 59 have begun leasing units.

Balint pointed out that rents in the new units are listed as \$1,450 a month for a one-bedroom, and \$1,800 a month for a two-bedroom.



Rents in Karademas' properties downtown have slowly gone up, too, in a graduated manner from the Graham, to the Leland, and to The Mayan.

Karademas has said in the past that as he turns over more buildings downtown – which he hopes to do – if he gets to the \$2,000-a-month rent level, it is high enough to support construction of new rental properties downtown.

Overall, Chicago remains one of the highest rental markets in the country, with a relatively small supply. Regional planning groups, such as the Chicago Metropolitan Agency for Planning and the Metropolitan Planning Council, have long identified the need for more rental properties in the Chicago region.

Sometimes that is blamed on communities encouraging townhouses and condominiums, rather than apartments, due to a bad rap often given renters. But Mederas pointed out that is not a fair stereotype. Apartment owners are diligent in their application processes to make sure potential renters are just as able to pay their rent as a buyer would be able to make a payment.

"You get very young professionals out of college, of course they're going to rent, because they don't know where they're going to end up," he said.

slord@tribpub.com